

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.: 201304341E

(Incorporated in the Republic of Singapore)

(In receivership over charged shares in certain subsidiaries)



1. PROPOSED JAPAN REFINANCING

2. EXTRAORDINARY GENERAL MEETING TO BE HELD ON 23 JANUARY 2017

Reference is made to the following announcements of International Healthway Corporation Limited:

- A. *the announcement made by the Board on 15 December 2016 (the “**Proposed Japan Refinancing Announcement**”); and*
- B. *the announcements made by the Board on 24 December 2016, 29 December 2016, and 18 January 2017 (the “**EGM Announcements**”), relating to the Extraordinary General Meeting of the Shareholders of the Company, to be held at 2.30 p.m. on 23 January 2017.*

The Board of Directors (the “**Board**”) of International Healthway Corporation Limited (“**IHC**” or the “**Company**”) make this announcement in relation to:

- (1) The refinancing plans (the “**Proposed Japan Refinancing**”) of the Company and the Group, as announced in the Proposed Japan Refinancing Announcement, comprising of (i) the proposed refinancing of a mezzanine loan of up to JPY 8 billion (approximately S\$99.2 million) with a loan period of 3 years to refinance the TMK Bonds* issued by IHC Japan First TMK, a wholly owned subsidiary of the Group (“**Proposed TMK Refinancing**”), and (ii) the Proposed Senior Debt Financing (as defined in the Proposed Japan Refinancing Announcement).
- (2) The Extraordinary General Meeting (“**EGM**”) of the Company to be held at 2.30pm on Monday 23 January 2017, the Resolutions to be considered at which EGM include Resolutions for:
 - (a) the removal of each of the 4 current Directors of the Company, who together comprise the entire Board of the Company; and
 - (b) the appointment of 3 others as new Directors of the Company, whose appointments, according to the members of the Company who had given intention to propose these Resolutions, “*are intended to achieve the result of replacing the Company’s Directors*”.

The Board had on 21 January 2017 received notification from the Japanese financial institution (the “**Financial Adviser**”) advising on and arranging for the Proposed TMK Refinancing that they have now come to know that the EGM will be held on 23 January 2017 the result of which EGM could be “*to change the entire board of directors of IHC*”. In the light of this, the Financial Adviser has informed the Company that it is not willing to continue with its engagement with the Company if there is a change in the Company’s board of directors in the next six weeks.

The Company notes that the financiers, being financial institutions which the Financial Adviser has been dealing with, require the next 6 weeks to proceed with their respective refinancing. The impact of this is that the Proposed TMK Refinancing may NOT carry on as currently planned, if any of the current Directors are removed at the EGM. Consequent to any cessation of the Proposed TMK Refinancing, the Proposed Japan Refinancing may also be jeopardised.

In coming to a decision as to voting for or against the Resolutions to be considered at the EGM, Shareholders are urged to review all the points made in the EGM Announcements. The attention of the Shareholders of the Company is also drawn to points 2 and 5 of the Company’s EGM Announcement

dated 18 January 2017. For convenient reference, the extracts from points 2 and 5 are set out below:

“2. Several of the Company's lenders have expressed concern over the Requisitioning Members' move. Their continuing support is crucial to the Company's financial wellbeing.”

“5. The Board emphasises that, at this critical stage, it is imperative that the existing business partners and financial supporters of the Company be assured of continuity. Any disruptions to these efforts may adversely affect the Company's ability to address the various issues that it faces, which in turn may trigger negative consequences detrimental to the Company. Shareholders should vote for continuity.”

Therefore, Shareholders are urged, in deciding on how they should vote for or against the removal or the appointment of any person as a Director of IHC, to take into consideration the impact of this on the Proposed TMK Refinancing and, consequently, the Proposed Japan Refinancing, as well as on the overall business and financing plans of the Company.

Shareholders of the Company are, in the meantime, advised to exercise caution when trading in the shares of the Company. When in doubt as to the action they should take, shareholders should consult their financial, tax or other advisors.

By Order of the Board

Lim Beng Choo
Executive Director
23 January 2017

** A TMK is a type of corporation which can be formed under Japanese law. Bonds issued by a TMK are called TMK Bonds.*

*This announcement has been prepared by International Healthway Corporation Limited (the “**Company**”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

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